



**This form is to be used in conjunction with a rule review when ancillary documents are also being reviewed as part of the review process.**

Ancillary documents are interpretive or policy statements that advise the public of the Department's opinions, approaches, or likely course of action. They include documents such as Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs), and Revenue Policy Memorandums (RPMs). Ancillary documents do not have the "force of law" that a rule is given under the Administrative Procedures Act (Chapter 34.05 RCW). Court decisions, Board of Tax Appeals decisions (BTA), and Washington Tax Decisions (WTDs) **are not** ancillary documents.

Reviewer: JoAnne Gordon Date Reviewed: December 27, 2001

Ancillary Document being reviewed  
(provide number and title): ETA 54.12.211  
Flying instructions, airplane rentals, and use tax  
liability  
ETA 356.12.211  
Use Tax: Rentals put to personal use  
ETA 481.12.178  
Sales or use tax applicable to items both leased and  
used for personal use

Date last Issued: July 15, 1966, June 5, 1970, and July 31, 1974,  
respectively

This document is being reviewed in conjunction  
with (provide WAC number and title): WAC 458-20-178  
Use tax

Purpose of the document: ETA 54 explains that use tax applies to the use of  
an airplane by a taxpayer who purchased the  
airplane to lease to others and to use while  
providing flight training.  
ETA 356 explains that use tax applies to the use of  
boat held for lease or rental.  
ETA 481 explains that use tax applies when a  
person purchases tangible personal property to  
hold for lease and then puts the property to another  
use.

Is the document clearly written? 

Yes	No
X	



Does the document provide accurate and useful information? 

Yes	No
<b>X</b>	

Does the document provide information not currently in the rule? 

Yes	No
	<b>X</b>

**Review recommendation:**

A. Update

B. Repeal

C. Leave as is

D. Incorporate into rule and repeal

<b>X</b>

**Briefly explain your recommendation:**

These three ETAs address the issue of acquiring property to hold for lease (without payment of retail sales tax as purchased for resale) and using that property for another purpose. WAC 458-20-211 (Leases or rentals of tangible personal property, bailments) (6)(a) explains that retail sales tax applies to purchases of tangible personal property who intend to use the property for purposes other than or in addition to renting or leasing. Numerous other documents also provide comprehensive information on the subject. With respect to ETA 54 and the use of aircraft held for lease and used to provide flight lessons, Det. No. 94-226, 15 WTD 65 (1995), discusses this issue and explains the circumstances under which a different tax application results when students lease aircraft for lessons. With respect to ETAs 356 and 481, Det. No. 87-99, 2 WTD 435 (1987), Det. No. 88-12, 5 WTD 001 (1988), Det. No 87-298, 4 WTD 087 (1987), and Det. No. 00-024, 19 WTD 710 (2000) discuss the issues in detail.

**Manager Action:**

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 Accepted recommendation Date: \_\_\_\_\_

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 Returned for further review Date: \_\_\_\_\_

Comments \_\_\_\_\_